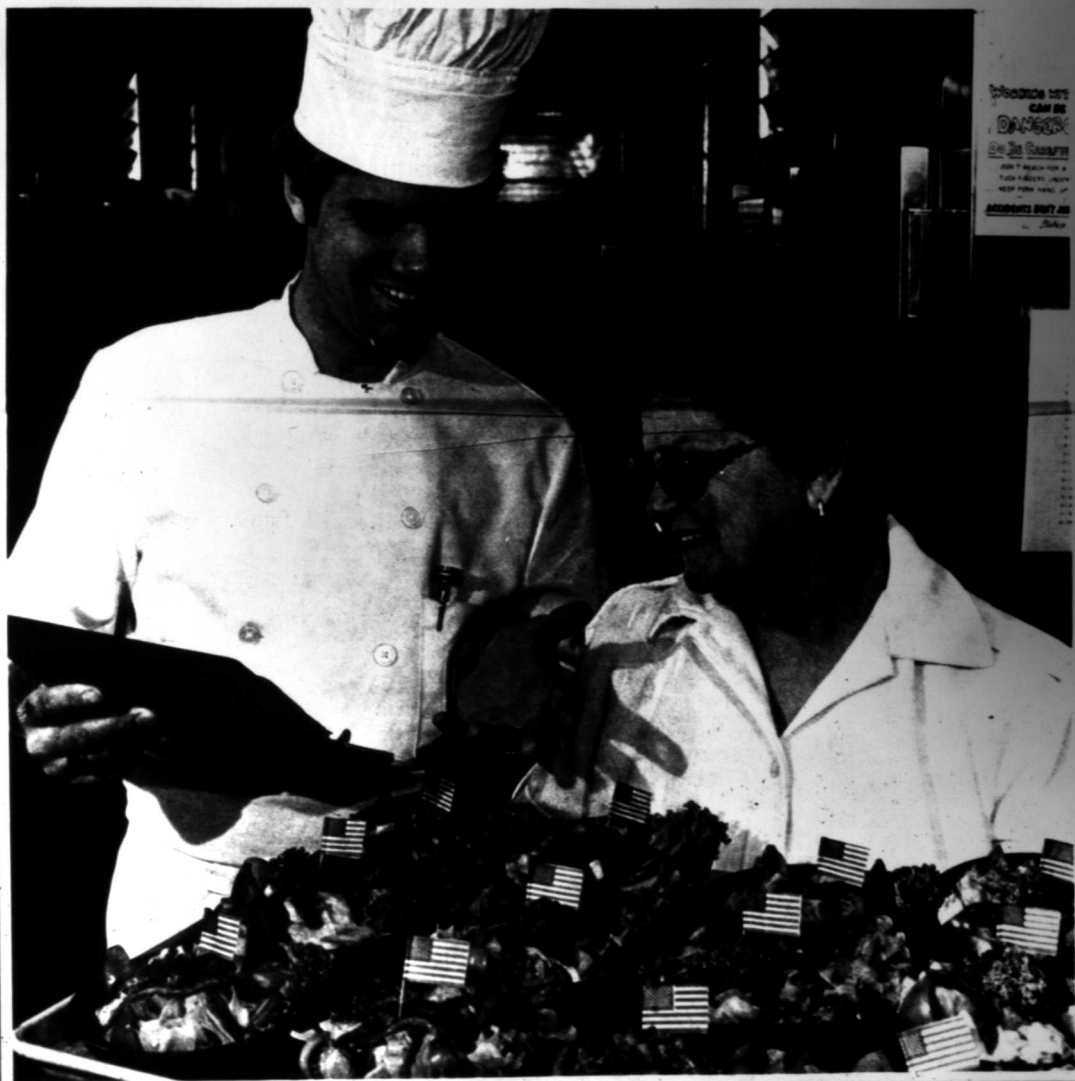


K-Liner

FOR AND ABOUT K MART PEOPLE

At Bishop Buffets, a food manager and counter attendant check over a tray of salads that are ready to be put out for consumption. Bishop's motto says "Unless we're proud of it, we don't serve it! That's being fussier for customers."



THE K-LINER

K-Liner

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After encountering some difficulties like a battleship trying to alter its course, K mart has successfully changed direction. Board Chairman Bernard Fauber told stockholders at the Shareholder's Meeting on May 22.

Due to many years of success, K mart had reservations about changing its image and the direction that it wanted to take for years to come. But after rethinking about the way the company wants to serve the American consumer, Fauber said that K mart is ready to try something new.



Chairman of the Board Bernard Fauber tells the audience at the Annual Shareholder's Meeting that 1984 will be another good year for K mart.

"In every department and in every product category, the new merchandise we are displacing is a testimony to our attitude toward change and our understanding of how to serve our K mart customer better."

By close estimates, it is believed that over 50 percent of all the

households in the United States shop K mart at least once a month. And almost 80 percent of the population lives within convenient shopping distance of a K mart store. Making K mart the most complete retail shopping store with more customers than any other store is a goal that the company is rapidly closing in on.

Because of the major change in our apparel department and the fact that we are offering the latest in fashion at good value, people are saying that while they used to shop K mart for everything except apparel, they now are shopping K mart for clothes, too. The same goes for our new Kitchen Corners, Electronic Centers, Home Care Centers, Health Food Centers, Book Corners and Stationery Shops.

"Our task now is to provide more of our new departments and our new merchandise assortments in a greater number of our existing facilities," Fauber says. "Most of our stores will have some, if not all, of our new departments by the end of this year."

K mart is offering higher ticket, better-quality items and feels that the customers are ready, willing and able to continue purchasing these items.

K mart is also diversifying with off-price apparel operations. Designer Depot and Garment Rack; expansion of designer lines, including home furnishings by Gloria Vanderbilt in 28 newly remodeled stores in Metro Detroit; Accents; Warehouse Home Improvement Centers; K mart Trading Services, which sells American goods to foreign buyers; financial services inside K mart stores; Furr's Cafeterias and Bishop Buffets as well as Gentor of Mexico, Daiei in Japan and Coles in Australia.

"Each of these businesses is relatively small today, but our interest lies in the fact that each of them can become major profit centers in the years ahead," Fauber says.

"We recognize there is no guaranteed longevity to success. And we know that success must be viewed as an achievement more easily lost than gained. In that light, rather than create an air of complacency, our 1983 success has generated an even keener sense of urgency, at all levels in K mart management, to do the job even better. Nineteen hundred eighty-four will be another record year for your company."

K mart shareholders elected Larry M. Parkin and Frederick M. Stevens to the Board of Directors at the stockholders meeting on May 22nd.

Parkin has been senior vice president of K mart and chairman and chief executive officer of K mart Apparel Corporation since January, when he was elevated from vice chairman of the apparel subsidiary. He was vice president of the Western Region for three years. Earlier in his 28-year career, with K mart, Parkin held several posts in the Western Region, including assistant regional manager, merchandise manager, personnel manager and district manager. He also managed several stores in the Midwestern and Western regions.

A native of Creston, Iowa, Parkin holds a B.A. degree from Baker University in Kansas.



Larry M. Parkin



Frederick M. Stevens

Stevens has been senior vice president of sales and general merchandise manager since January 1983. Previously, he was vice president of corporate facilities. He also held Western Region posts as assistant regional manager for real estate, assistant regional manager and district manager. He has managed stores in various Western Region cities.

Born in Jonesboro, Arkansas, Stevens has served K mart for 25 years. He holds a B.S. degree from Louisiana State University.

Directors re-elected to the 17-member board were A. H. Aymond, William H. Baldwin, Robert E. Brewer, Mary S. Coleman, Dale R. Corson, Robert E. Dewar, Bernard M. Fauber, Carl A. Gerstacker, David B. Harper, Samuel G. Leftwich, J. Edward Lundy, Paul W. McCracken, Norman G. Milley, Grant W. Morck and Gloria M. Shatto.

Robert W. Purcell, retired business consultant to Rockefeller Family & Associates, retired from the K mart Board of Directors after 13 years of service.

New Stores for August 1984	
REGION	OPENING
M	7588 - Webster August 2 Groves, MO (8800 Watson Road)

Allen Weed, director of recruitment and training management personnel and K mart's representative to the National Alliance of Business (NAB), accepted a Summer Jobs Award from President Ronald Reagan. The award was given at a recent presentation in the Rose Garden at the White House for outstanding dedication to the career development of youth and for K mart's support of the Private Sector Summer Jobs Program.

The President's Advisory Council on Private Sector Initiatives in conjunction with NAB developed a campaign to help promote the hiring of youth for summer employment. The program helps to teach youth the importance of work skills, to develop a positive attitude and give them needed work experience.

Each year the President corresponds with over 5,300 chief executive officers encouraging them to hire youth into their companies. As an incentive for businesses to participate in this program, the Targeted Jobs Tax Credit (TJTC) allows employers to deduct a percentage of their cost in hiring these youths. Last year, the campaign proved its effectiveness as hiring of youth for the summer increased dramatically over previous years.

K mart Corporation plans to purchase its common stock up to the number of shares issuable upon conversion of the company's 6% Convertible Subordinated Debentures Due 1999, Executive Vice President of Finance Robert E. Brewer announced May 29.

Brewer said the purchase will offset the dilution in earnings per share that results from the shares issuable upon conversion of the debentures.

The outstanding principal amount of the debentures is \$199.3 million. The number of shares issuable on conversion of the debentures is slightly more than 5.6 million shares, or approximately 4.4% of the outstanding common stock of K mart Corporation.

The debentures are convertible into shares of K mart common stock at \$35.50 per share. K mart stock is currently trading in the area of \$28 per share.

Brewer said the shares will be purchased from time to time in open-market and private transactions handled by Morgan Stanley & Co.

May sales for K mart Corporation were 9.7% higher than sales in May 1983, Chairman of the Board Bernard Fauber announced May 31.

Consolidated sales for the four weeks ended May 23, 1984 were approximately \$1,609,242,000 versus \$1,466,398,000 for the same period last year.

Year-to-date sales were \$5,786,814,000, an increase of 7.1% over the \$5,401,017,000 posted for the first 17 weeks of 1983.

Comparable-store sales—those from K mart stores open at least one year—rose 8.1% this May over May 1983. Year-to-date comparable-store sales were up 5.5% this year over last year.

"Our May increase is especially encouraging because it compares with a strong May last year," Fauber said.

He noted that May sales approached the top of the range of internal projections for the month. The final two weeks of the period were particularly strong as weather improved across much of the nation, he added.

K mart apparel sales continued at an above-average rate in May, Fauber said, and gains in the hard-lines departments were also significant. Sales of outdoor merchandise were brisk.

Among the contributors to May sales were 2,157 K mart discount department stores this year, compared with 2,130 K marts last May. Also adding to sales were Designer Depot family apparel specialty stores, Kresge and Jupiter stores, Furr's Cafeterias, Inc., and Bishop Buffets, Inc.

POSTER CONTEST SHIFTS INTO HIGH GEAR

This year you have a chance to have a say in the way K mart's Customer Care program is presented to all employees. With your ideas and help, the corporate training department will put together a program to promote Customer Care from your point of view.

Each year 13 posters are prepared for the in-store poster program. This year the all-year poster, which remains framed in each store all year, will be chosen from employee entries.

Prizes for entries are as follows:
1st prize - \$500 3rd prize - \$200
2nd prize - \$300 4th prize - \$100

Rules for the contest are as follows:

1. Poster must be Customer Care oriented.

2. Submit an 8½ x 11 piece of paper explaining your approach to the topic and why you believe it to be appropriate.

3. Print your name, social security and store number on your entry together with a sketch of the wording and/or artwork you envision.

4. Artistic entries are not necessary but may be helpful.

5. Send entries to the Corporate Training Department, KIH, by August 31, 1984.

6. Decision of the judges shall be final and based on originality, aptness and appropriateness of thought.

7. One entry per K mart Corporation store employee, which includes the K mart, Kresge, Jupiter, Designer Depot, and Accents stores. All entries must be store stamped.

8. The panel of judges will be selected by the Director of Employee Relations.

9. Only store employees of the K mart Corporation are eligible to participate.

10. Second, third and fourth prize entries will be used in the monthly program.

This ad is for all those who ever wonder why your company runs a United Way campaign.

When it comes right down to it, you're probably the best reason your company has for getting involved with the United Way.

You see, they have almost all of the money given to the United Way goes back out into the community to help people.

If you, or the people you work with, should ever need any of our services, like day care, family counseling or health care, we'll be right there to help. In fact, there are tens of thousands of United Way-supported programs and services in cities and towns across the country. That means help is nearby wherever you are.

And your company knows that could mean the difference between keeping or losing a valuable employee. That's why they give. And that's why they ask you to give. Because there may come a day when you need help yourself.

United Way
There's to give. It works. For ALL OF US.

A Division of the United Way of America



Board Chairman Bernard Fauber, second from right, presents \$100,000 to Ruel Williams, right, assistant manager of Gleaners Community Food Bank. Also present are Ed Powers, left, government relations manager and coordinator of K mart's "Feed the Hungry" program, and Carmen Martinez of Gleaners. The sample Pantry Pack in the foreground feeds a family of four for five days.

The generosity of all Detroit area K mart employees as well as KIH employees who donated to the Feed the Hungry program will long be remembered by the company as well as by the needy families in the area.

Employees gave approximately \$20,000. K mart made a corporate contribution to bring the total gift to \$100,000. This was presented to the Gleaners Community Food Bank of Detroit. The Gleaners, in turn, purchased 6,349 Pantry Packs with this money and distributed the packs in the Detroit area between May 1 and June 8.

Instead of a food drive, monetary contributions were asked for because program organizers felt that this would be the best and most efficient way to help. To col-

lect, store and distribute food ourselves would have been a monumental task. The purchasing of pantry packs provided balanced meals for a family of four for four or five days and their distribution was handled by an organization that is familiar with the area's needy.

The contents of the Pantry Packs were purchased wholesale from local suppliers, for less money than a company's employees could buy them retail and decorate them. A typical pack contains meat, fish, fruit and juices, canned vegetables, dry rice, beans and pasta, oil, biscuit mix and powdered milk. With this food, it costs 78 cents to feed one person three balanced meals a day.

WHAT DO YOU THINK OF THE CONTENTS IN THIS ISSUE?

☐ Good

☐ Fair

☐ Poor

Employee inquiries - Return to Virginia Burns, Editor

What other topics or developments would you like to read about in the K liner? We welcome all comments and questions.

My inquiry is:

THEY'VE GOT WHAT IT TAKES

Good food and employees with the right stuff make Bishop Buffets and Furr's popular cafeterias

Bishop Buffets and Furr's Cafeterias, both wholly owned subsidiaries of the K mart Corporation, are growing eateries that are bringing back hoards of satisfied customers. Why? Because of their good, home-style food served at reasonable prices in a cozy atmosphere with friendly employees.

Like similar operations, these cafeterias started out small. But since coming under the protective wing of K mart, they now see that the avenues for quicker growth and success are widening.

Furr's, based in Lubbock, Texas, is the second largest cafeteria chain in the country, operating 122 cafeterias and two pie shops in 12 states in the southwest. They expanded from 33 cafeterias in 1970 to 76 in 1980. Since Furr's was purchased by K mart in 1980, it is now geared to open 20 to 30 cafeterias each year.

Furr's was an offshoot many years ago of a supermarket chain that began early in the century in West Texas. With the backing of the Roy Furr family, Cliff Andrews, a former army mess sergeant, developed his methods and ideas about food service to great success. In 1947, Andrews began as a baker at a small cafeteria attached to a Furr's supermarket in downtown Odessa, Texas. He later managed that cafeteria and supervised others as they were built. The cafeteria operations developed so well that

the companies divided in 1959. Don Furr, oldest son of Roy, became president of Furr's Cafeterias with Cliff Andrews as vice president. Andrews became president in 1975 when Furr became chief executive officer. Today, the Furr family no longer owns the supermarket chain.

Bishop Buffets, based in Cedar Rapids, Iowa, opened their first cafeteria in Waterloo, Iowa, over 60 years ago and was purchased in 1983 by K mart. Currently, there are 31 cafeterias in operation.

Bishop people are big on service. They carry trays, welcome children and parents with a special children's hostess and offer additional coffee and iced tea at no extra charge. There is a no tipping house policy that prevails in all Bishop cafeterias.

Don Fritz, who became vice chairman of the board and senior executive officer for Furr's when it was purchased, was asked if he would work with the Bishop Buffets organization while still remaining involved with Furr's. Fritz agreed and was made vice chairman of Bishop Buffets in 1983.

"The new growth and expansion (of Bishop) will be done totally through utilizing the same people and methods that have made this firm so successful to date," Fritz explains. "We see no reason to make vast changes from what has already been proven. Successful. K mart is quick to rec-



ognize talent and found Bishop to have the folks with the know-how, plus the expertise to make the expansion plan come together. It is K mart's plan to increase Bishop Buffets into becoming the most dominate food service operator within our marketing area."

If you happen to spot a Bishop or Furr's Cafeteria and decide to give them a try, what can you expect to find? Aside from efficient service, cleanliness, and helpful employees you'll find lots of good food.

At Bishop's the menu changes daily, but there are some basics like fried chicken, roast round of beef, baked ham, fish and salads. And try as you may, you'll find it

nearly impossible to pass up their famous Royal Ambrosia Chocolate Pie, made from their own secret recipe.

Prices are set according to the market prices of various area restaurants, but basically you can build your menu to suit your pocket. If you have \$2.50 in your wallet, there is no reason why you can't go through the line and get a good, filling meal.

Furr's offers over 1,200 items, from Hawaiian style beef tips or meatloaf with hot Creloe sauce to their famous Millionaire Pie. Like Bishop's, their prices too are reasonable. And at both cafeterias, everything is served on china crockery, with glassware and stainless cutlery.

Inside and out, Furr's Cafeterias are pleasant and homey, inviting customers to relax and enjoy their meals.





A day in the life at Furr's - New editor of Furr's has bird's eye view of the operation

As a famished Furr's customer, dazzled by the serving line's delectable choices, I often wondered, "How do they produce so much beautiful food?"

Now I know.

Preparing to assume Gene Westerburg's job as editor of *The Candor*, I spent a day watching operations at Cafeteria #190, Lubbock. After unloading the truck at 8 a.m., Manager Mell Halford gave me a fast paced tour of her facility. Then I wedged myself into various nooks and crannies trying to stay out of everyone's way and still see what goes on.

It was a fascinating experience. Here are the things that impressed me most.

A small group prepares all that food. I thought it would take an army.

Each person is a specialist, knows his or her job and does it with no help or pushing from anybody.

Food preparation takes muscle. I've never seen such big pots and pans. Imagine what they weigh full of food! This is no place for wimps.

These experts enjoy their work. They whistled, sang, teased each other in passing, laughed - and not to impress the visitor. They were much too busy to remember they had one.

The kitchen is clean and uncluttered. I blush to recall the condition of mine during the preparations for dinner for four. The dish cleaning system left me awestruck.

What beautiful timing! Everybody knows the schedule and works with time in mind. The pace is fast but not frantic, yet everything is done only minutes before the first customer arrives -

and nobody's even breathing hard.

A standard excuse of men who don't want to take wives out to dinner is - "If you knew what goes on in restaurant kitchens, you would never want to eat out!"

Well, I know what goes on in Furr's - and I'm impressed. Jacquelyn Smyers
Editor - *The Candor*

The first Bishop Cafeteria came to life in Waterloo, Iowa

Carl G. Stoddard, President of Bishop Buffets from 1928-1932, guided the company through the Great Depression in such a manner as to command the attention and admiration of many great business leaders of the country.

In 1931 he wrote the following, which appropriately established the basis for Bishop's success and pointed the way for continued progress for the company.

It was not the first cafeteria, however. There had been many before it, and they were popular too, for a while, but sooner or later they drifted into the "just ordinary" eating place. Apparently, operators had not yet grasped the true idea of cafeteria service.

But along came a Mr. B.F. Bishop, a person with wide experience as a caterer in the best clubs, hotels and restaurants in America, who believed that the principle of buying food for your body, which your eye dictated, was truly fundamental. Others before him had recognized this fact also, but as it is the usual custom of A Modern Business Person to rush in and take advantage of any newly found attraction, there were many failures. This method was not employed by Mr. Bishop. He had been through the role of personal catering from beginning to end, and had learned that "giving" not "taking advantage" was

the course to follow.

The cafeteria plan offered to patrons a generous advantage over the old way in that it permitted them to see the food before selecting it. The originators of this system felt that this new favor to patrons was sufficient to overcome all other evils commonly known to the ordinary caterer. Mr. Bishop, however, had learned from long experience that this was not true. The public deserved and demanded much more than this. The patrons' wants, down to the very smallest detail, must be catered to, he always maintained, and where food and service were concerned, he was a post-graduate of the analysis of human desires. I quote him when he expressed his vision of the future Bishops: "Every service at my command must be extended to each and every guest." This thought so consumed his attention, that his every effort was directed toward its perfection.

At Bishop's someone is always there to make sure your coffee or iced tea is refilled, free of charge.



Bishop's dessert line is hard to pass up, especially for smaller customers.

Eleven years have passed. There are now seven Bishop Cafeterias, which enjoy the patronage of thousands throughout Iowa, Illinois and the entire USA. This good will brings to us all genuine pleasure, and we shall always strive to deserve and maintain it.

Eleven years, after all, is merely a beginning and it is plainly evident that if we are to continue our progress, we cannot for a moment depend upon our past achievement, but we must ever strive to reach a greater degree of perfection in our food and "extend every service at our command to each and every guest."

LEIBENGUTH CRACKS STATE JAVELIN MARK

By Kim Briggeman of the Missoulian

Leibenguth was more or less thrust into the sport of javelin throwing two years ago when the track coach at her school had only two women in javelin. He heard about Leibenguth pitching baseball in the men's leagues for five to six years and asked her to try the javelin. On her third throw, she not only set a new school record, but was then ahead of leading javelin throwers. From that point on, Leibenguth has continued to beat track meet records and set new personal records.

There are special moments like it in every state track meet.

Sometimes it's a breathtaking spring finish or a soaring long jump.

Friday it was the sight of a silver javelin knifing through the atmosphere and landing on the far side of a white flag.

The javelin was Marti Leibenguth's. The flag marked the Montana girls' javelin record 158 feet, 9 inches away.

On the Big Sky senior's fourth throw of the day, she eclipsed that mark with a line drive throw of 163-0 to get the record she came for. That reportedly is the best distance in the action this spring for a prep girl.

And it helped put the Big Sky girls into good position to contend for the state girls AA title on Saturday.

Butte's girls made a strong impression on the first day of the meet, rolling up 23 points to take the lead.

But an injury to Jackie Street could make it hard for the Bulldogs to hold onto its front-runner spot.

Surprising Havre was tied for second with C.M. Russell at 18 points, while Big Sky had 17.

Billings West, among the premeet favorites, sustained a costly injury of its own to thrower Denise Fecht and may be out of the race with only 13 points.

The Class AA boy's race went pretty much as expected. Heavily favored Billings West piled up 34 points, followed by Havre's 17 and Big Sky's 16.

Helena High sits in fourth with 12 points. Then comes Hellgate with 10 and Sentinel with 7.

Big Sky's boys scored points in virtually every area Coach Russ Pilcher expected to, and will probably rise to second place with another good day on Saturday.

But Leibenguth's performance twinkled above all the others.

"My goal was to break the state record," she says. And she set out

to do that with a vengeance.

One of her preliminary throws sailed 157-4 and another went 154-11. Then came the big one, going more than four feet past Osborne's record.

Her final two attempts were also monsters - 158-9 and 161-3 - and even her competitors were cheering.

At about the same time, teammate Loreen McRae was following the indomitable Kathy Jarvis of Havre around the track to finish second in the 3,200.

Earlier, the Eagles got third in the 400-meter relay and fourth from Lisa Tade in the 300 hurdles and Emme Tuckett in the discus.

The javelin event may have been West's downfall. Fetsch, expected to contend for the state discus record on Saturday, hyperextended her left knee while finishing third.

Earlier, she was upset in the shot put by Havre's Chris Inman. Fetsch's status for Saturday was unknown, but she was in obvious pain after the javelin.

Street's injury put a damper on an otherwise bright Butte day. While pounding down the stretch with the lead in the 200, she pulled a hamstring.

She held on to finish second behind Havre's Michelle Cartwright. The extent of her injury was also uncertain, but losing her points in the 100 and 400 Saturday could prove fatal to the Bulldogs.

Butte's all-around star, Holly Maloney, was the chief catalyst behind her team's early lead. She won the high jump at 5-8, placed second in long jump behind Helena's Leslie Ursich, and was fifth in the javelin.

Marti is the daughter of K mart 3072 manager, M.L. Leibenguth. She has been given an athletic scholarship for basketball and has chosen to play with the Lady Grizzlies at the University of Montana, Big Sky Conference. She is currently rated number three in the nation in Prep javelin with an official track meet record of 156 feet 10 inches.

Reprinted with permission by the Missoulian, Missoula, Montana.



Juanita Boyce, wife, mother, receiving clerk and an active member of the National Hot Rod Association is an extremely busy person. She is married to Bill Boyce and together with the four children, Eva, Paul, Patrick and two year old Billie Jo, they own and operate B and J Farms, a commercial vegetable farm on General Fellows Rd., Greenwich. They raise some of the finest melons, sweet corn, peppers, egg plants, tomatoes, and cucumbers in the county. Boyce also works as a receiving

clerk for K mart in the Greenwich Plaza, where she checks in and tags merchandise before it is put on the floor for sale.

On the week-ends particularly on Sunday, this diminutive blonde, can be found with her husband Bill, in one of three places. Lebanon Valley, New York; Sanaire or Napairville, Canada. Why there? Because that's where the National Hot Rod Association Sanctioned Races are held.

Bill and Juanita and their pride and joy "Thundermug" a '58 Black Vette, with a 454 - Bored 60

thousands to 468 cubic inch Chevy engine, with approximately 750 horse power are racing. "Thundermug" has run the quarter-mile strip in 10 seconds with a speed clocked at 130 miles per hour. The car cost \$16,000 and presently is the only one in the B & J stable. "At one time," states Boyce, "I had my own car, a '69 G.T.O. which I raced and won several times at South Glens Falls. What a thrill it is to drive down through and make it safely to the other end. Boy, it really is exciting!!! What makes it really enjoy-

able is when I beat the fellows. They really get mad at me when I do that.

"Bill does most of the racing now. He is a tough competitor," continues Boyce. "He has raced with Shirley Muldowney, NHRA National Champion for 3 straight years, and has numerous awards and trophies for his efforts.

Juanita Boyce works for K mart 9274, Greenwich, New York. Reprinted with permission from the Eagle newspaper, Cambridge, New York.

GREENWICH AREA MOTHER RACES HOT RODS



Juanita Boyce proudly stands in front of her '58 Chevy.

374

HEDRICK'S OBSESSION:

WIN

EVERY ROCKVILLE SOFTBALL CONTEST

Rockville softball pitcher Gretchen Hedrick has an obsession.

She wants to win. Every game. Her determination is masked by her almost frail-looking appearance, but Hedrick has come

close to being unbeatable this season. Her coach, Bob Burke, feels her size (5 feet 2, 95 pounds) may have something to do with her 38-4 record in three years on the varsity.

"When other teams see her, they don't think she can be that fast, but she can really sling that thing over the plate," Burke says. "But I'll bet there isn't a pitcher around with a better won-loss record than hers."

As a freshman, Hedrick was an undefeated pitcher on the junior varsity. She lost her first varsity game, 5-4, to Seneca Valley as a sophomore.

In Hedrick's first state final, Rockville lost to Northeast, 9-8, in eight innings. But she almost had the game won. The Rams led, 8-6, in the bottom of the seventh with two outs and two strikes on the batter before Northeast rallied to tie the game and then win in extra innings.

Last season's final was different.

"That just wasn't us on the field and we lost, 22-2, to Surrattsville," Hedrick says. "The game was originally scheduled for the night before and it rained hard in the

fifth inning. We got home late. I pitched the worst I had ever pitched. It was so sad to see the seniors lose their last game that way."

Only one other Rockville team has reached the finals, 1979's 14-3 team. So this season, Hedrick would like to see Rockville win the Maryland title.

"I'm not sure that we can go to states this season because we lost a lot of our seniors," Hedrick says.

"We don't have as much experience working together. I'm going to pitch the best that I can. I don't want to let my

teammates down." But Hedrick's performances this season haven't

been a let-down. She has pitched two no-hitters.

"When I pitch like that, I just get so excited,"

Hedrick says

"I want to keep going and going."

It's one of the best feelings I have. It really gives me self-confidence."

Her feelings are just as intense when she's pitching poorly.

"I get so mad at myself when I throw bad pitches," Hedrick says. "I've always tried to get my concentration down and make the next pitch a strike. But I've had to learn not to be so hard on myself. I know that if the ball is hit, I have good fielders behind me and we'll get the outs that way." Hedrick is working on improving other parts of her game, in addition to maintaining her composure in tough situations.

"I've been concentrating on my speed while keeping my accuracy," she says. "I'm trying to pitch at three speeds to help keep the batter off guard."

Control is important to Hedrick, who began pitching in the fifth grade.

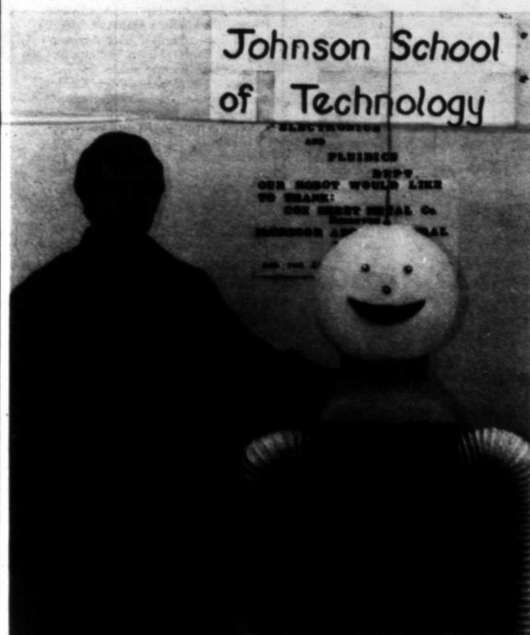
"I like to pitch. Everything comes down to you. The pitcher is involved with every single play of every game," she says. "I like the way outfielders run and dive for balls, but pitching is never boring."

Becky Hedrick is the mother of Gretchen Hedrick and works at K mart 3576, Adelphi, Maryland as the office manager. Reprinted with permission from the Washington Post, Washington, D.C.

"I've always tried to get my concentration down and make the next pitch a strike. But I've had to learn not to be so hard on myself. I know that if the ball is hit, I have good fielders behind me and we'll get the outs that way," Hedrick says.

THE K-LINER

HAND-BUILT ROBOT GIVES STUDENTS AN INKLING OF WHAT THE FUTURE HOLDS IN ROBOTICS ROBOTICS ROBOTICS



Cappelloni and his robot, Sargand-6 who walks, talks and picks things up.

During a K mart visit, Sargand-6 befriended a small shopper.

He's just like a person. Well, sort of like a person. Except for the fact that his body is made out of aluminum and his head is a big Genessee beer globe, Sargand-6 the robot is humanlike.

Just ask Bob Cappelloni of K mart 7142, Pittston, Pennsylvania who designed and built the robot.

"He walks, talks, can pick things up and move his arms," Cappelloni explains.

Talk? Well, yes and no. The robot has a microphone planted in his body that picks up people's conversations around him. This sound is transmitted up to 40 feet to someone who is out of eye range. They hear the conversation and respond by speaking into another microphone, which is relayed back to the robot, making it appear that the robot is speaking to those around him.

Cappelloni is a recent graduate of Johnson School of Technology in Scranton where he majored in electronics and fluidics.

His inspiration to build a robot came from a Johnson graduating class from about five years ago.

"They built a robot," Cappelloni says. "It was sort of a make shift thing. They threw it together, it ran for a year or so and finally blew up. I thought it would be nice for our class to do it as a project. So during the summer I designed it and rounded up most of the parts and then built it."

He had help from some of the other students, but the majority of work was done by Cappelloni. "It took me a month and a half to design it and two months to build it. It would have taken longer to build, but I was up against a deadline and needed some help. So some other students helped me finish it."

Although the robot was not an actual class assignment, Cappelloni was given an "A" on the project.

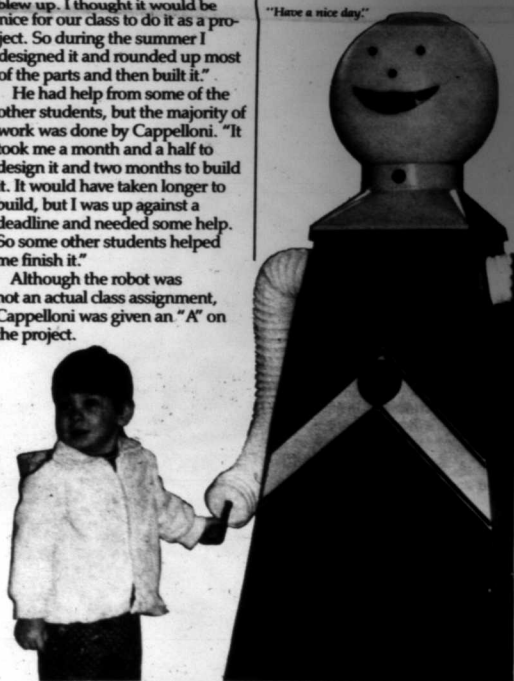
Sargand-6 runs on a 12 volt battery as well as a motorcycle battery. "It's been in operation about four months and we have only had to change the motorcycle battery twice. The 12 volt battery has to be charged every two days."

Sargand-6 has performed at K mart, in a mall show and on a local television marathon. But with Cappelloni busy with graduation, Sargand-6 has just been hanging around the Johnson campus, waiting for an assignment.

"I've had so many calls from people that want the robot to be at children's birthday parties, but I've just been too busy with school."

Cappelloni sees a tremendous future in robots at this point. He sees robots doing jobs that humans shouldn't have to do like lifting 150 pound motors for eight hours a day. As far as having a robot in the home Cappelloni says, "With the state of the art as it is progressing you might see the robots in the home by the year 2000. But I really don't see it coming for a while. It's too expensive to be built on a basis like that. The cost to build a robot to run a vacuum would be astronomical, and you would have to buy a mini computer to program it."

"Have a nice day."



EXECUTIVE PROMOTIONS



Russell M. Jones has been promoted to Assistant Director of Planning & Research and Manager of Financial Planning.

Jones joined K mart in 1973. In 1979, he transferred into the Financial Planning Department at KIH. In 1982 he was promoted to his current position as manager of Operations Research.



Paul R. Wierbicki has been promoted to Corporate Assistant Controller-Accounting. Wierbicki will report directly to the Controller and will be responsible for Property Accounting, Intra-Company Accounting, Advertising Accounting and Supplier Accounts Receivable Departments and Distribution Center accounting.

Wierbicki has held positions of increasing responsibility since joining the company in 1970. In 1978, he became Assistant Director, Financial Reporting and General Accounting, for K mart Enterprises and in 1981 was promoted to General Manager of that same division. In 1982, he was promoted to Coordinator KIH Accounting and, in 1983, Corporate Director - Accounting.



David V. Barbieri has been promoted to Manager, Operations Research.

Barbieri joined K mart in 1971. He joined the Research Department through the University of Michigan Co-op Program and became a full time employee in 1972 as a Research Analyst. In 1977 Barbieri was transferred to the Financial Planning Department and in January of 1981 was promoted to Assistant Manager. In November of 1981, Barbieri was promoted to Merchandise Controller, and in June of 1983 to Coordinator of Merchandise Analysis.



Danny L. Mitchell has been promoted to K mart District Manager in the Western Region.

Mitchell joined K mart in 1971. He has managed several K mart stores

Betty Di Bartolomeo has been promoted to General Manager Creative Design Department, KIH.

Jim Miller has been promoted to General Manager of the Advertising Production Department, KIH.

Lou Gatti has been promoted to General Manager of the Advertising Traffic Department, KIH.

RETIREE



Art Kerkau, Head of Electrical and Mechanical Design retired on May 31 after almost 38 years in the Construction Department. Kerkau joined the company as a mechanical engineer in 1946 and has held progressively more responsible positions in the design division during his exceptional career. His unwavering dedication to excellence in the design of the mechanical and electrical systems for K mart facilities, his loyalty to the company and to his profession have set an outstanding example for those who follow.

We wish Art and Nancy all good things and full enjoyment of his richly deserved retirement.

John A. McFarland, Jr., Manager of K mart 3124 Corona, California retired May 1.

McFarland joined K mart in 1948. He has managed several Kresge and K mart stores.

In June of 1982 McFarland was promoted to his present position.

McFarland has made a fine contribution to the K mart Corporation and we wish him much health and happiness in his retirement years.

Delmar E. Myers, Regional Food Manager, Central Region, retired July 1. Myers joined K mart in 1946 at Kresge 174 Champaign, Illinois. Myers has served as Fountain Manager in five Kresge stores, then in October of 1955, he was promoted to District Food Manager. In June of 1974, he was promoted to Associate Buyer - Food Equipment at KIH. In January of 1977, Myers was then promoted to Regional Food Manager.

James E. Vail, Manager of K mart 4015 Port Huron, Michigan, retired July 1. Vail joined K mart in 1947. During this time he managed two Kresge stores, served as Kresge/Jupiter District Manager in the Central Region. In August of 1967, Mr. Vail was promoted to K mart 4190 Dayton, Ohio. He then managed two other K mart stores before being promoted to 4015 in February of 1978.

William V. Zugrovich, Manager of K mart 3231 Plymouth, Michigan, retired July 1. Zugrovich joined K mart in 1951. He managed Kresge 412 Cleveland, Ohio as well as four Kresge stores and three K mart stores. In June of 1982, Mr. Zugrovich was promoted to his recent position at store 3231.



Narcie Riva
KIH, Troy, MI
35 years



Kermi Stagers
008, San Bernardino,
CA
35 years



Ester Rosenkrantz
KIH, Troy, MI
30 years



James Coleman
290, Detroit, MI
25 years



Robert Shaw
5270, Fort Wayne, IN
25 years



Mary Soubaly
4264, Stow, OH
25 years



Robert Crossman
4376, Waukegan, WI
25 years



Robert Langsdale
4441, Pittsfield, MA
25 years



Melva Zellner
968, Tiffin, OH
30 years



I. William Uhler
3022, Bristol, TN
25 years

ANNIVERSARIES, JULY 1984

Emma Andrews, 4428, Muskegon, MI, 40 years. Anna Bishop, 307, Ironton, OH, 40 years. Virginia Starks, 4073, Clarksville, IN, 40 years. Richard Archibald, Designer Depot, New York, NY, Buying Of., 35 years. James Hale, 3103, Paducah, KY, 35 years. Mary Moos, 8420, KIH, Troy, MI, 35 years. Donald Schroeder, 3391, Arnold, MO, 35 years. Andrew Laws, 4059, Taylor, MI 30 years. Frederick Mader, 65, Trenton, NJ, 30 years. Eva Rector, 9558, Harrisburg, IL, 30 years. Jean Sawmiller, KIH, Troy, MI, 30 years. Reginald Mattioli, ERO, East Brunswick, NJ, 25 years. Frederic Goetz, 4341, Fairfield, CA, 25 years. Thomas Raub, 4229, Austintown, OH, 25 years. Joyce Shrader, 7103, Bluefield, WV, 25 years. Robert Walters, 9078, Hannibal, MO, 25 years. Harley Lipphardt, 7333, Tampa, FL, 25 years. Roy Werling, FTW, Fort Wayne, IN, 25 years. Forrest Schlemm, 3241, Springfield, IL, 25 years. Ludwik Grabowski, 480, Chicago, IL, 25 years.

James Sellers, SRO, Atlanta, GA, 25 years. Helen Darmstadt, 7065, Horseheads, NY, 25 years.

ANNIVERSARIES, AUGUST 1984

Goldie Martinez, KIH, Troy, MI, 40 years. Shirley Condon, KIH, Troy, MI, 40 years. Noel Conley, 7119, Haverhill, MA, 35 years. Lex Judd, 4188, Charleston, WV, 45 years. Frances Bowie, 60, Lewiston, ME, 30 years. Adolph Neumann, 4167, Hamilton, OH, 30 years. Bertha Coleman, 7243, Kokomo, IN, 30 years. Eldon Kumfer, FWDC, Fort Wayne, IN, 30 years. Gladys Sago, 480, Chicago, IL, 30 years. Beverly Embry, 9105, Sedalia, MO, 30 years. Eva I. Fara, KIH, Troy, MI, 25 years. Leonard Johnson, 4240, Northridge, CA, 25 years. Russel Wehking, 3031, Blaine, MN, 25 years. Emil Wolff, KIH, Troy, MI, 25 years. James Marshall, 8335, Atlanta, GA, 25 years. Don Brown, 8270, Fort Wayne, IN, 25 years. Lothar Jandt, 4334, Erie, PA, 25 years. Doris Mehling, 28, Cleveland, OH, 25 years. Arnie Bradford, 4164, Birmingham, AL, 25 years. Sharron Meyer, 8310, Plymouth, MI, 25 years. John Flynn, 4030, Danville, IL, 25 years. Mary Ray, 4164, Birmingham, AL, 25 years. Emilia Daczyszyn, KIH, Troy, MI, 25 years. Helen Devlin, 651, New London, CT, 25 years. Edna Hamilton, 3359, Gardendale, AL, 25 years. Concetta Pitaro, 4407, Brockton, MA, 25 years. Patricia Racki, 3098, Danvers, MA, 25 years. Robert Hough, 8340, Covina, CA, 25 years. Evelyn Misar, 4465, Sioux City, IA, 25 years. Joanne Shank, 3464, Sarasota, FL, 25 years. Roger Conley, 4083, Flint, MI, 25 years. Catherine Delaney, 3186, Maplewood, MO, 25 years. William McGuirk, 4234, Spartanburg, SC, 25 years. Richard Moriarity, 3333, Saugus, MA, 25 years.

SUGGESTION SYSTEM AWARDS



The following employees have won awards for their useful ideas. No idea is too small to be considered, so pick up a form, fill it out and send your idea to Barbara Ritchey, suggestion systems, KIH. Remember, it pays to think.

Raymond Wind, K mart 9521, Madawaska, ME. Changing "trigger figures" on scanner labels.

We have discovered that any normal pencil eraser, or even more effectively, an ink eraser will remove the old trigger figure on scanner labels. This leaves no splicing nor streaking as with alcohol. On more than one occasion, alcohol has been spilled on merchandise, list pages, etc. and it certainly cannot be carried in pockets. The soft eraser could not possibly penetrate the hard plastic scanner label. Perhaps with a little experimenting, the Scanner Support could find the most effective type of eraser for all K mart stores to benefit.

Wind feels this will benefit productivity, expense, and ease of handling. But most importantly, it is one less obstruction for our customers to encounter while shopping our K mart. Wind was awarded \$60.

Robert Johnston, K mart 9732, Lock Haven, PA. Christmas tree pricing system.

Since last year, Christmas trees were supposed to be numbered on the boxes according to each individual style. I feel that on the price tag instead of a date, the same number should be used. For example: If a tree box has a style number of 6 on the outside of the box, then the price tag should have just the number 6 next to key number 1 at the top of the price tag. This idea would help prevent price tag switching. It also would help checkout operators identify a possible incorrect price per style of tree. It would not take any more time or trouble to use this method.

Johnston was awarded \$50.

Steven Salinger, K mart 3152, Waterbury, CT. KEI buyers yearly evaluation question aids on merchandise.

A yearly evaluation should be sent out covering our buyers merchandise for the previous year. Topics to be covered on the question could include new merchandise, quantities being general ordered, types of merchandise, prices of goods, displaying areas, (end or aisle), etc.

The feedback from these questionnaires could be used by the buyers to better evaluate their merchandise effectiveness. The people in the stores who deal with our customers every day could provide valuable information to the buyers.

Salinger was awarded \$50.

Patricia Tinney, K mart 3118, Philadelphia, PA. Record of goods received - page in front. They have a page made for the very front of the book that the manager can sign, date and put any comments when he or she reviews the books weekly.

Tinney was awarded \$50.

Martha Hurst, K mart 3165, Marietta, GA. Memorandum of "Shipment Received" space for signature.

Next time memo's are printed add at bottom a place for the signature of the person who writes it, so people will know who wrote the memo.

Hurst was awarded \$75.

Nancy Heist, K mart 3196, Pottstown, PA. KIN invoice packet, placement of Xmit stamp box.

Heist suggests putting Xmit stamp impression box in top right hand corner of tissue sideways - on KIN invoice packet. It is much easier to find the batch when it is filed in a file cabinet with the Xmit stamp in the upper right corner.

Heist was awarded \$60.

James Driess, K mart 3588, Naperville, IL. Name for "K mart" shocks.

Many people identify with names only. In a recent poll taken by Monroe, Monroe was first, Steady Rider by Sears second. I suggest we at K mart give our customers a name to work with, the same as we're now doing with our tires. My suggestion is as follows: to be used with our heavy duty, radial tuned and soon gas-operated shocks - "Ride-Master" made by Monroe, Heavy-

Duty/Radial tuned/Gas operated. Driess was awarded \$100.

Anna Scarnera, K mart 9156, Manahawkin, NJ. Choosing Employee of the year.

Employees of the month are given awards, but each store should also have an employee of the year. Yearly winners could be chosen from the employee of the month winners and given a \$50 bond. This would promote more initiative and motivation.

Scarnera was awarded \$100.

Paula Martens, K mart 4018, Dubuque, IA. Filing System for R/S, C/F/O, etc.

Martens suggests after a return sheet, C/F/O, etc. is completed and figured, set up a filing system according to months (Jan., Feb., March, etc.) and file it one month prior to the arrival date. When it comes time for that month - pull them and put them in the list books. Makes your work more efficient, easier and the R/S don't get all torn up from being in the list books for so long.

Martens was awarded \$50.

Elaine Varnos, K mart 4083, Flint, MI. Manager's Work Sheet - Print a \$ Sold Column.

Print a "\$ Sold" column in future printing of the "Manager's Work Sheet," code # 61-87.

This will save hours of precious time spent searching through list books and files for "Dollars sold last season."

Varnos was awarded \$50.

Nelson Lawrence, K mart 3056, Wayne, NJ. Appliances - special descriptive signing on hand phones.

Strip signs to be used on hand held phones at point of sale for descriptive information, indicating various phone options.

Example: 06-21-21 (Music while on hold).

QK-200 (Use with one other phone). QK-250 (10 # Redial).

Lawrence feels a benefit from his idea is the customers will get self descriptive information at point of sale. The customer needs less time from salesperson.

Lawrence was awarded \$100.

Vicki Russell, K mart 3239, Kansas City, MO. Dividers for new wire shelves in kitchen center.

To make some sort of divider to separate the merchandise on those new wire shelves in the kitchen center. This would help keep counters straightened, keep up the appearance, and help greatly with the ordering.

Russell was awarded \$50.

Cecil Brown, K mart 4234, Spartanburg, S.C.

Advertise binoculars. The 7x35 binoculars should be inserted into the sporting goods hunting aids. If you pick up any big game hunting book, you will find that binoculars are as big a part of hunting as the gun.

Brown feels that this will add a vital item that pays a good gross to hunting aids. More profit dollars can be made on one set of binoculars than on the total shipment of shells or bullets.

Brown was awarded \$50.



Wayne Stern, back row far left and his son Jason, middle row, second from left during their 1983 season. Stern stresses sportsmanship above all else during the Little League season.

LITTLE LEAGUE COACH WAYNE STERN STRESSES GOOD SPORTSMANSHIP

As every parent knows, membership in various youth organizations is an excellent way to help develop a youngster's character and thereby strengthen America's future.

Wayne Stern, registered pharmacist at K mart 7275, Belvidere, Illinois, has been working with just such an organization as an active volunteer for the past six years.

Stern, who has been a K mart employee since 1976 is a third base coach for a Little League Bronco team of 13 boys ages 10 to 12. His interest was stimulated when Michael, the oldest of his four boys joined a Little League team about nine years ago at age 10. Since then Mark, now 18 and John, 17 have grown up as team members and currently his youngest son, Jason, 12 is a Little League.

Stern's interest at first was that of an enthusiastic parent spectator but that developed into a coaching position within a few years. When asked if he shared the responsibility with anyone for his team, he explained that every team has a manager, two coaches and a scorekeeper. Those four adults each donate about 10 hours a week to their boys including three two-hour practice sessions and two competitive games that last two hours.

As far as team performance over the years, Stern recalls records that were average to very good. A few years ago one of his teams won a division title and went on to the State Play-Offs in Springfield, Illinois. They had a thrilling time that year even though they did not win the State Championship. (They were beaten 1-0 by a team that went on to place third in the nation.)

Stern, however, states that though they love to win, winning

is not stressed above all else. He believes that the boys are benefited more by participation and all members are given a chance to play in every game. Sportsmanship is encouraged above everything and getting along with their peers. Many opportunities for resolving difficulties come out of the team's experience all the time. And they also learn to accept defeat at times and go on. When not playing, the boys are required to sell candy to earn the finances necessary for their team's expenses.

"Parents are a big support to this program," Stern says. "They see to it that the boys get to practice and they run the concession stand at the ball field during games. Each year, the mothers bake hundreds of pies and cakes for the annual fund-raiser, the Little League Ice Cream Social, to which all the ice cream is donated by local merchants and most of Belvidere turns out to support our boys."

The Belvidere community as a whole has been very supportive of the program and a few years ago a Jay-Cee project was to build a sidewalk from town out to the ball field so that the boys would be safer when riding bikes out there. (They previously rode on busy Illinois Highway 76). Donations were accepted from the community at the local banks and the Jay-Cee members donated time to lay the two and a half miles of concrete on several spring Saturdays.

What does Stern get out of all this? "I just like working with kids. They keep me young. It's a real treat to have a boy return after they are grown and in college to visit us. They say 'Hi, Mr. Stern' and I can see that they are real gentlemen. It makes me feel really good."



THE K MART CARE REPORT



I would like to draw your attention to an employee of K mart store 7137 in Cahokia, Illinois.

The other day, I was in the store and was looking for something in the ladies wear department. I had been looking for quite a while, when I stopped a clerk and asked her.

She was very friendly, had a smile on her face and really went out of her way to help me find exactly what I was looking for. This lady's name is Georgia, and this was not the very first time I've seen her. You see, I'm, a "regular" customer at that K mart store.

And every single time I come to that store, I always notice Georgia.

She always has a bright smile on her face, is friendly and always goes out of her way to help customers. I feel it is high time that I tell you, the company, about it.

She really gives me the impression that she loves K mart and she loves her job and her customers. I really feel that she is an asset to K mart and that she earns every cent she makes.

She's one employee that deserves more than a "pat on the back."

I hope she will be recognized for her efforts.

By the way, I too, had worked at K mart 12 years ago, when I was in high school, and I know how demanding people can be of sales people.

Sincerely, Mrs. Paul Kepner

People are far too quick to criticize these days when something just isn't right, rather to stop and give credit where credit is due when things are to their liking.

I would like to compliment you on one of your employees who works behind the deli counter at your Cudahy, Milwaukee location (K mart 4395).

All I know is that her name is Annie. I have patronized your store for several years. And it seems every time I go in there she's there, and always with a smile and pleasant greeting. I know that working with the public can not be the most pleasant situation at all times. But

it appears she does not let it get the best of her.

I have been in a sales position myself in the past and I recognize a good sales person. She is definitely an asset to your company.

Every time there is something new that she is introducing, I'll be darned if I don't end up trying it just because she suggested it! I truly feel she deserves recognition.

I spoke to the store manager about her which prompted me to write this letter. Mr. Thomas D'Amato did inform me he was in full agreement with me and that he is trying for that same attitude that Annie has for his entire staff. I hope he succeeds!

Sincerely yours, Mrs. Rosemary Gelinsky

Shelby Hill has been a K mart 3091, Norfolk, Virginia customer pleaser since 1977 working as a service desk employee. Even though the lines of people needing to return items and have checks approved can seem endless, Hill handles each person in a very efficient and



pleasant manner. And she does this while being frequently interrupted by the phone, by having to page different departments and even while irritated customers break into the line to complain about one thing or another. Hill can always be found handling each situation in a calm manner, with a smile on her face.

As Chief Executive Officer of K mart, I'm sure you get your share of complaints from unhappy customers. Let me

share a happy experience.

Recently, my wife and I were shopping for a T.V. to go in our kitchen. One of the places we shopped was K mart store 4106, Ypsilanti (MI).

We were so impressed with the appliance manager, Mike Clark, that we shopped no further. We bought on the spot.

He was most knowledgeable about the various features of the different models in his product line, and pointing them out to us. He displayed the highest level of salesmanship that we have seen during the three years we have lived in Michigan.

If having a pleasant personality... product knowledge... good communication skills... and superior salesmanship are some of the criteria used by K mart in selecting their management personnel, then Clark should be well on his way to a rewarding career with your company.

Sincerely, W. Fred Barrow

I am writing to you to tell you about your assistant manager at the Germantown, Tennessee, K mart store (7201), Bob Reuter. Mr. Reuter noticed a stock certificate (valued over \$6,000) on the store floor, read the name and called me immediately (I had just left the store) to tell of this missing certificate. I think this behavior is exemplary and wanted your company to know it. He could have done many things with the certificate including waiting until I missed it. This was most commendable. Thank you

for being this type of person.

Sincerely, Dr. Frank W. Markus

I am writing to commend one of your employees for her friendliness, courtesy and genuine concern for her customer. Lorraine De Leeuw works at K mart 4204 in Warren (MI) in the camera/watch and jewelry department of the store. I have purchased watches, jewelry and calculators from this department and have come to depend upon Mrs. De Leeuw for knowledgeable advice on these purchases. Even more, however, is that she demonstrates the same attentiveness and courtesy when the purchase is more humble.

For instance, I recently purchased a watchband for my son at K mart. Because it was for a young child the watchbands in stock would not quite fit. Mrs. De Leeuw, however, took the extra time, extended herself a little bit more than the average salesperson, to snip and pinch and adjust to make it fit. You have no idea how happy my little boy was to have his watchband restored!

This is just the most recent instance where Mrs. De Leeuw has put forth more than ordinary effort to make this customer satisfied. So I will come back to her for future purchases because I know she cares about me—not just my money!

I hope you realize what a fine job Mrs. De Leeuw does for your establishment. Her performance is definitely in keeping with K mart's policy of 100 percent customer satisfaction.

Sincerely, Mrs. Janet Vermiglio

BULK RATE
U.S. POSTAGE
PAID
Permit No. 291
Davenport, IA

KRESGE, S S
1071 LAKE ANGELUS RD W
PONTIAC MI 48055